

GREENSBORO MINIMUM HOUSING STANDARDS COMMISSION**TRAINING SESSION held at****GATEWAY GARDENS****2800 E. Gate City Blvd.****Greensboro, NC****9:30 AM****September 22, 2022**

A Training Session of the City of Greensboro Minimum Housing Standards Commission (MHSC) was held on Thursday, September 12, 2022, commencing at 9:30 a.m. at the above-mentioned address. The following members were present: Vice Chair, Franklin Scott; Michael Waller; Teresa Furman; and Kristina Singleton. Staff present included: Administrative Staff: Larry Roberts, Division Manager and Christie Holt. Also present was Legal Counsel, Tony Baker, as well as Michelle Kennedy, Director of Community Improvement.

ADOPTION OF THE AGENDA

Mr. Waller moved adoption of the Training Session Agenda, seconded by Ms. Singleton. The Commission voted unanimously 4-0 in favor of the motion. (Ayes: Scott, Waller, Singleton, and Furman. Nays: None.)

Counsel Baker stated that there will be a PowerPoint presentation and there are handouts for everyone to follow along. Some members have already gone through the training and this would just be a refresher for them. It's also a good opportunity to talk about what is the Commission's role, what is the legal authority as set by State law and the City Ordinance. We will then talk about the roles and responsibilities when you are in your role as policy recommenders to Council, and then in your role as Hearing Officers and that quasi-judicial role, which has been talked about a lot and will continue to be talked about it just to make sure that there is a distinction between those two roles.

Ms. Furman asked if everyone could introduce themselves. Counsel Baker stated that was a great idea and asked everyone to introduce themselves at this time.

Franklin Scott, Vice Chair of the Commission	Kristina Singleton, Commissioner
Larry Roberts, Division Manager	Tracy Furman, Commissioner
Judi Decker, Triad Reporting & Typing Services	Erin Nelson, Paralegal for the City Attorney's Office
Michael Waller, Commissioner	Christie Holt, Code Enforcement Office
Tony Baker, Assistant City Attorney	Michelle Kennedy, Director of Housing and Neighborhood Development

Counsel Baker stated that any time anyone has questions or comments during this presentation, please feel free to interrupt at any time.

Counsel Baker stated that recently Councilwoman Hightower asked if the Commission was still knocking down houses. He responded that the City Attorney's Office does not knock down houses, so he was distinguishing to her that the City Attorney's Office just makes sure that whatever Policy that the City Manager or City Council

puts in place, that staff legally implements it. He suggested that she speak with the City Manager and Council because they are the ones that direct staff. There are two (2) general functions for this Commission; One, is to make policy recommendations to the City Council. That is where you can say why are we knocking down houses and why are we not rehabbing housing and why are we not buying houses, and make a decision based on the facts of the case. Everyone here is probably familiar with Bulent Bediz, and the Commission has seen him more than once. He owns 25 properties, 15 of which are on the list in one form or another. They are rental properties and are located in the Glenwood Neighborhood near UNCG. The City approached him to purchase all the properties, in part, because we need a bank of available, affordable housing and, in part, because there are outstanding --- a couple hundred thousand dollars in civil penalties and some of these houses are going on the demo list and it just seemed easier to buy his inventory and get him out of the landlord business. And it would serve the City in having a bank of affordable housing where you could start a land trust. Those kinds of ideas is something that the Commission could explore, either when you're sitting as a Commissioner, or when you are out in the community and you see opportunities and recommending those types of things, either to staff or the City Council, when you wear your hat as "Advisor".

In the past, at some point the Commission with the Council liaison said, "We're not getting many cases." So staff started bringing cases to the Commission for Ordinances to Repair, Ordinances for Demolition, even when staff did not have the budget to take these houses down. So, all of a sudden you have all these cases on your docket and we didn't have any money to demolish them even if you passed an Ordinance, and we stopped doing that because, currently we found ourselves with 120+ Ordinances to Demolish and we had a budget of potentially demolishing 10 a year. Some of those cases were 10 years to 15 years old and the house had just been sitting there and for whatever reason we just never got to it. So, we had recently gone through that whole list and cleaned up as far as cases where we could not show good service and we rescinded and started over. But the goal going forward is that we're not going to bring a case to the Commission unless we can afford to move on it and if it really needs to be demolished or in the case of repair, we're ready to petition for a Receiver. So, that is probably going to impact your docket going forward because you may not have as many active cases, which means we may not even need to hold a meeting. When you have your Policy recommendation, even if we don't have any active cases, if the members should have an issue or concern that they want to discuss for recommendation to Council, or an idea to discuss, the Commission can decide whether to meet or not.

Counsel Baker would like to see if there are Policy recommendations from any of the members, as individuals or that they want the Commission to adopt that there would be a clearly defined segment of the meeting where those things can be discussed, so that those things like Policy are not discussed during the hearing as that is very inappropriate. The hearing is where Council and the Manager's Office has instructed staff on their directions.

Michelle Kennedy, Director of Housing and Neighborhood Development, stated that they have knocked down some houses recently and one of them was the one on Fleming Road that had been vacant for many, many years. As those come down staff is wrapping up the demolition segment and then moving into the Receivership phase.

The biggest issue on a lot of these houses is that houses that have been left to a family, heir property, staff finds that those are the most difficult because the heirs argue about who is responsible for keeping the house up and then they can't agree on dividing up any funds that might be available. So, no one has been keeping it up or paying taxes on the property. That means that if they do sell it, the past and present taxes have to be

paid, as well as any civil penalties attached to the property. A lot of times, there is no money left over for the heirs. Their property has many more headaches than regular foreclosed properties.

Mr. Scott asked about the status of Receivership cases coming before the Commission. Christie Holt stated that there are approximately 40 Orders to Repair and probably some of those will go into Receivership process and come before the Commission. The challenge with the Receiver is that it sounds like a great idea, except the Legislature gave the Receiver two (2) years to make their money back. So, if they put in \$48,000 to rehab one of these houses, and that is not an unreasonable number, so that's twenty-four (24) months if they win it and that's just getting back their costs. These homes are not going to rent for \$2,000 per month, let alone not getting any profit out of it, so their option then is to get whatever they can out of the rent or apply to the Court to sell the property. So, the Receiver may or may not be able to recover the costs and make any profit, which would probably only be 10% - 15%, as approved by the Court. Now the previous property owner has now been displaced and have lost ownership of the property. If the Receiver is due \$60,000 and the house sells for \$80,000 the property owner gets the \$20,000, so the property owner is not going to lose everything. They will get whatever equity is left above, but they still have to take that \$20,000 and find somewhere else to live and chances are, with the condition of their house, traditional financing is not going to be available to them. So, the \$20,000 is not going to help them get financing to buy a new house and they are still on the market for affordable housing. The challenge of staff, Troy, and Michelle has is finding a house that has enough potential value that, when repaired, can get the Receiver paid, a little bit of profit and hopefully, not put the person out of the house.

Michelle Kennedy stated that their goal is Receivership and demolition are their last resorts. They have found with the Receivership so far, they have had good success once they tell the property owner that their property is moving into a Receivership Program, that is an incentive for the property owner to go ahead and repair their property. They have gotten some houses back into compliance that never had to go through the process with, and that's ideal. The hope is that it is a big enough catalyst for people to go ahead and do something. They are not here to displace people or put people in financial straits, but they do have a task to save lives and housing stock in the City of Greensboro. They want to preserve as much housing as possible and closely behind that, the property owner matters too, and they don't want them in a position where they can't buy a house or afford rent.

At this time there was a short break from 10:55 a.m. until 11:15 a.m.

Counsel Baker stated that there is already a lot of staff time already built in before the Commission even sees a case. While an appeal is pending, staff has no enforcement capability for the property involved and the house just sits there. In the past, the Commission got used to just continuing cases and in some cases that worked well, but there is no guarantee that a property owner is actually going to get their property in compliance. He pointed out that the Notices that the Enforcement Officers place on a property, give that property owner the opportunity to apply for financial assistance and help from other resources, maybe that they weren't even aware of. Michelle Kennedy added that the Inspectors relay that information for help to the property owner at the time of the Notice.

Ms. Furman asked what is the solution if someone is not financially qualified for assistance, because they clearly couldn't qualify for any traditional financing.

Counsel Baker stated that if they have too much income and don't qualify for assistance, then he feels that they are not prioritizing their income and if they have put themselves into a financial situation where they

don't qualify for credit through the City, it is probably a person that is unable and cannot afford to maintain that home. The City is incredibly generous on how to qualify.

Mr. Scott asked if the communication to the homeowner is clear and does anyone sit down with them with an explanation of their options or just send a letter to them? Counsel Baker stated that the Inspector's Order includes information regarding financial assistance. He asked if it would help the Commission members if staff provide in the package the Inspector's Order and the information they receive about financial assistance. The members present indicated that would be very helpful.

Michelle Kennedy stated that staff is working on making that information less formal and easier to understand, to the extent they can legally, to try to account for literacy levels, language and in the Department they use the language access line to a higher degree than any other Department in the City because they want to be sure that the owners can understand the information. They are actively engaged in trying to make sure they are using the language that anyone can understand and that if English is not their first language, that there is access in their preferred language.

Counsel Baker stated that in some of the cases, staff felt that they needed an Ordinance to protect future buyers and the Ordinance goes in the Chain of Title. They simply started filing a les pen dace when the Inspector's Order is final and not appealable, which shows the buyer that there is something that they need to be aware of.

Christie Holt stated that at the last meeting, Amber Rivero brought up the point about the Commissioner's role to the public in regard to reports of houses people may be aware of and want to report it to the Commissioner they are speaking with. Typical response should be referred to the Office. Christie Holt then gave an example of the steps that are taken for each report of violations, as it goes through the Enforcement Office, then to the Commission for review, if necessary at that time and then what happens after the Commission makes a decision and how Enforcement follows up on that case.

Counsel Baker stated that there is a big part of the Commission meetings that the members have an opportunity to make recommendations regarding policy, affordable housing and even homelessness, that can be segregated at the meeting into the hearing portion and the policy discussion and what can be recommended to Council or to staff.

Mr. Scott asked if there can be some kind of follow-up for items that members should bring up and/or ask questions about, that staff would be working on. Christie Holt stated that would certainly be something that she would follow up on and include in the member's packages. Counsel Baker stated that Ms. Holt can pass the Commission's recommended Resolution to the Manager and copy each Commissioner so that they know it is now in the Manager's Office. Any communication to City Council, first goes through the City Manager's Office.

Ms. Furman asked if there were going to be adjustments to the meetings because of the Holidays. Michelle Kennedy stated that staff is currently looking at the calendar and trying to accommodate a change in the September and December meetings. There was no conflict with the proposed new meeting date for December to be held on the 3rd Thursday of the month, assuming that there are cases to come before the Commission. Christie Holt stated that at this time, she does not think there will be a meeting in October but she will send email notifications to everyone.

Michelle Kennedy stated that the lunch boxes have arrived and she would pass them out so everyone can keep talking.

Counsel Baker stated that as far as a quasi-judicial hearing, it is policy for staff to be heard first on a case, followed by anyone speaking in favor or in opposition to the case and then the Commission members have a discussion, if needed, and then a vote is taken on that particular matter.

Counsel Baker stated that the Commission is not strictly bound by rules of evidence because a lot of times there is some hear-say evidence presented. The Commission can hear it, but it should not be considered as part of the evidence. Staff's burden of proof does not have to convince you beyond all doubt, they just have to convince you that more than likely, this side wins. In regard to photographs or videos of property, they must identify the date of same. There is so much flexibility in the Policy that a continuance is not likely for most cases.

Unethical issues and Conflict of Interest have been discussed previously, but Counsel Baker stated that each member should ask themselves if they have a Conflict of Interest and should bring it to the Chair's attention. Each member is asked not to self-investigate or have conversations about a case coming before the Commission until a decision is made.

ADJOURN

There being no further business, the Training Session adjourned at 12:22 p.m.

Prepared by Judi Decker, Owner

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